



PRESS RELEASE

FAIRBORNE UPDATES STATUS OF HARLECH NORDEGG HORIZONTAL WELL

CALGARY, ALBERTA, August 18, 2008 -- Fairborne Energy Ltd. ("Fairborne") is pleased to provide the following update for its Harlech 8-7-045-15W5M horizontal well. This well spudded on May 15, 2008 targeting the Nordegg Formation and reached a total depth of 4,379m including 883m of horizontal section on July 30, 2008.

The well was stimulated over eight separate intervals using multistage horizontal fracturing technology and flow-tested at various rates up to 360 e3m3/d (13 Mmcf/d) at a flowing wellhead pressure of 13,500 KPa (1,950 psi) through 4½ inch casing. Fairborne anticipates equipping and tie in of the 8-7 well to be completed by the end of the third quarter of 2008.

Fairborne currently controls 142 sections of land (110 net) at Harlech with Nordegg potential.

With this successful drilling and completion of the horizontal well Fairborne has significantly increased both the flow rate and flowing pressures from the Nordegg Formation in the Harlech area by 10 times over the average vertical producer.

The 8-7 horizontal section of the well contains 770m of reservoir quality sandstone with average porosity of 11% with some intervals up to 20%. This well, along with three vertical producers and four other delineation tests, continues to validate both our seismic and reservoir model of the Nordegg Formation in the Harlech area.

Fairborne is a crude oil and natural gas exploration, development and production company headquartered in Calgary, Alberta, Canada. Fairborne's shares trade on the Toronto Stock Exchange under the symbol "FEL". The forward looking statements contained herein are made as at the date hereof and Fairborne does not undertake any obligation to update such forward looking statements whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

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Certain information set forth in this document, contains forward-looking statements including management's assessment of future plans and operations of Fairborne Energy Ltd. ("Fairborne"), the inventory of drilling prospects and potential drilling locations, drilling plans and the costs thereof, expenditures pursuant to the capital program and the results therefrom, and drilling rigs to be utilized and the timing thereof. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond Fairborne's control, including the impact of general economic conditions, industry conditions, volatility of commodity prices, risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation, loss of markets, delays resulting from or the inability to obtain required regulatory approvals, inability to retain and delays in retaining drilling rigs and other services, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other industry participants, the lack of availability of qualified personnel or management, stock

market volatility, incorrect assessment of the value of acquisitions, failure to realize the anticipated benefits of acquisitions and ability to access sufficient capital from internal and external sources. The foregoing list is not exhaustive. Additional information on these and other risks that could affect Fairborne's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com), or at Fairborne's website (www.fairborne-energy.com). Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. The actual results, performance or achievement of Fairborne could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that Fairborne will derive therefrom. Fairborne disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. BOE disclosure may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf to 1 Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.